UNITED
NATIONS

DP

Governing Council
of the
United Nations
Development Programme

Distr.
GENERAL

DP/1991/6/Add.3
20 December 1990

ORIGINAL: ENGLISH

Special session
19-22 February 1991, New York
Item 4 of the provisional agenda

MID-TERM REVIEWS OF COUNTRY AND INTERCOUNTRY PROGRAMMES

Mid-term review of the fourth country programme for Jamaica

I. INTRODUCTION

1. The fourth country programme for Jamaica was formulated in 1985 and submitted to the Governing Council at its thirty-third session (1986). The original country programme took $15 million in available resources into consideration.

2. The mid-term review, held in February 1990, followed a series of consultations with the Planning Institute of Jamaica and took place against the background of the hurricane Gilbert, which struck Jamaica in 1988. This event, and the subsequent change in government of February 1989, precipitated a revision of the objectives of the country programme as originally envisaged.

II. FINANCIAL DATA

3. The programme is financed from the national indicative planning figure (IPF) of $4.43 million for the programme period 1987-1991. In addition, significant cost-sharing from the Government ($10.9 million) and from bilateral donors ($1.3 million) was available to the programme. Overall, $16.6 million was taken into account during the current programme period. However, $0.6 million in IPF funds and $4 million in cost-sharing funds were committed to third-cycle projects. A total of $2.4 million was available at the time of the mid-term review for further programming.

4. Most of the cost-sharing resources, which played a significant role in the country programme resulted from the Government's decision to use the increasing volumes of national counterpart funds, required by bilateral assistance programmes, to expand UNDP technical co-operation inputs.

best copy available

5. In addition to the resources directly available to the country programme, $21.4 million was made available during the period in the form of World Food Programme (WFP) assistance.

III. PROGRAMME AND PROJECT DATA

National development priorities and country programme objectives

6. Jamaica's overall economic outlook during the formulation stages of the fourth country programme was bleak despite various attempts at structural adjustment since 1981: low world market prices continued to have a negative impact on the earnings from traditional export commodities such as bauxite, alumina, bananas and sugar. The tourism sector performed poorly in 1985. Manufacturing continued to face limited foreign exchange availability. Given this predicament, the objectives of the Government's development strategy at the inception of the fourth country programme were: (a) to restructure and boost non-traditional export agriculture; (b) to maximize tourism revenues; (c) to increase employment in labour-abundant sectors; (d) to reduce the size of the public sector; and (e) to develop human resources in response to economic needs. These translated into the following areas of emphasis for technical co-operation between the Government and UNDP: (a) human resources development: 54 per cent of the resources were allocated to address the imbalance between manpower demand and supply, particularly the oversupply of unskilled workers and the continuing exodus from the public sector of people with technical and managerial skills; (b) export promotion: the provision of technical assistance in areas where skills were in short supply commanded 13 per cent of resources. Assistance was directed both to private sector firms and to public sector bodies (infrastructure and credit) relevant to exports; main commodities targeted were garments, furniture, fresh and processed food, and cut flowers; (c) transfer of technology: this area embraced contributions to the land titling programme through the establishment of a land information system. Attention was given to the introduction and use of tissue culture technologies to stimulate locally produced disease-free planting materials thus assisting increased agricultural production, reduction of foreign exchange outlays and import substitution.

Programme adjustments

7. Two years after the adoption of the fourth country programme, it became clear that the nature and tenacity of the economic difficulties required reconsideration of the country programme. The disastrous impact of Hurricane Gilbert in 1988 intensified this awareness; the electoral change in Government of February 1989 prompted a formal re-articulation of Jamaica-UNDP co-operation.

8. The initial structural adjustment programme of 1981 resulted in the dismantling of a complex import licensing system and the removal of most import restrictions. Exchange rate issues were addressed only in 1983 when the Jamaican dollar was devalued; in 1984, tax reform, expenditure control, and an overhaul of public sector prices and tariffs followed. A programme of divestment was also initiated. A 1985 assessment showed that the reforms had not succeeded in

reversing the economic decline: real GDP had declined, unemployment and the fiscal debt remained stagnant, bauxite production declined to the lowest level in 25 years, tourism arrivals dropped, agriculture and export markets stagnated while the construction and distribution sectors performed below expectations. Since that time, some successes have been recorded in reducing the fiscal and public sector deficits, but the adjustment processes have not worked in terms of improving national productive capacities sufficiently nor in providing an optimal framework for medium-term development. Furthermore, although the basic outlook for tourism and bauxite was positive, constraints in export agriculture and manufacturing remain to be addressed systematically. Unresolved organizational issues regarding labour, including small farmer and factory relationships, militate against greater agricultural output. Manufacturing continues to face the problem of only sporadic entries into overseas markets.

9. Hurricane Gilbert epitomized the vulnerability of Jamaica to unfavorable weather and natural disasters by wreaking severe havoc on both the productive capabilities of the country and the physical infrastructure. The social sector was particularly hard hit. Overall damage exceeded $30 million. The economic difficulties and the disaster brought about a general concern for improved management for sustainable development, leading to a revised focus of the country programme on three themes, with a continuing strong emphasis on human resources development: (a) institutional development to assist in the reform and strengthening of the public service; (b) investment and growth in the productive capacity of the private sector; (c) environmental management issues to support directly and to maximize sustainable long-term development in agriculture, tourism and the utilization of natural resources.

10. Some of the major interventions following from this shift in emphasis are given below: the Emergency Information and Management System, a geographic information and management system aimed at the implementation and monitoring of physical works, the allocation, monitoring, tracking and accountability of financial resources, the ordering, purchasing and control of building materials and supplies, and the updating of capital stock estimates and damage assessments in designated sectors. The Social Well-being Programme aimed at the re-introduction of vital managerial capabilities in the key ministries in the social sectors; through UNDP financing, key personnel were put in place, which in turn assisted in negotiating with the World Bank the first-ever World Bank loan ($27,000,000) directed exclusively to the social sector. The short-term advisory services (STAS) programme has been the main innovative programme in response to the need for the improvement of the country's export potential through the modernization of industry. Experienced technical and managerial talent from major multinational firms carried out important assessments in the manufacturing subsectors relating to footwear, electronics, chemicals, cosmetics, pharmaceuticals, packaging, plastics, paper and garments. Environmental management requires a rationalization of the institutional responsibilities and the development of ecologically sound policies: the UNDP contribution in this field, among the numerous interventions from other donors, focused on the damage from Hurricane Gilbert to the forest resources. The immediate aim was to harvest fallen commercial timber and sanitize affected forests. The medium- to long-term issue was the development of rational land use and forestry development programmes. The preparation of a tropical forestry action plan is foreseen in this respect.

/...

READEX FICHE

IV. PROGRAMME ANALYSIS

Impact of the programme in terms of the country programme objectives

11. The impact of the programme with respect to the attainment of the revised objectives was crucial to Jamaica's development through the assistance in policy research and policy articulation, mainly in planning and disaster mitigation. For the latter, UNDP assistance has been pivotal in ensuring institutional flexibility and in providing critical information bases required for effective disaster relief, rehabilitation and reconstruction.

Effectiveness of technical assistance modalities used

12. At the time of the review, 44 per cent of the 54 projects comprising the programme were being implemented under government execution. However, it was recognized that the decline of technical and managerial skills in the public sector constituted a growing constraint to the further expansion of the government execution modality. At the same time, the severe budgetary restrictions caused by successive adjustment programmes negatively affected the ability of counterpart agencies and ministries adequately to support and institutionalize the results of technical co-operation. This situation has created a second difficulty of placing technical co-operation programmes under pressure to provide assistance for budgetary support activities.

13. United Nations agency execution was affected in some cases by weak or inadequate technical inputs, by the different levels of agency decentralization, and by the rising cost of international experts. Future planning will most likely increase the use of United Nations volunteers specialists in technical areas most affected by the loss of skills. Although the agencies did not directly participate in the mid-term review, the overall level of co-operation was notable, particularly the collaboration with WFP and the United Nations Population Fund (UNFPA) in disaster relief and rehabilitation. In addition, significant inputs were provided through a UNDP-financed regional project on critical poverty alleviation. Of even greater strategic significance for the mobilization of bilateral and multilateral resources were the operations of the Caribbean Group for Co-operation in Economic Development (CGCED), of which Jamaica was an active participant.

Operational problems

14. The Planning Institute of Jamaica - the technical co-operation co-ordinating agency of the Government - which itself has suffered from a severe loss of experienced technical planning skills, was prevented from effectively carrying out its intrasectoral co-ordinating responsibilities because of the excessive demands of the sectoral ministries for survival efforts to respond to the need for urgent rehabilitation activities.

V. EVALUATION OF THE MID-TERM REVIEW

15. The mid-term review showed that a critical assessment of the capacities of beneficiary institutions is vital, at the design stage, for the successful integration of technical co-operation project results. While recognizing that the weak institutional nature of the public sector environment will pose inherent constraints for the country programme, greater attention needs to be given to the effective management of technical co-operation programmes and to the incorporation of other forms of national execution. The reordering of priorities in the current country programme has already established the framework for the formulation of the fifth-cycle country programme. Given the decrease in the IPF for Jamaica, UNDP will need to pursue increased co-financing and cost-sharing with bilateral and multilateral donors to augment the overall volume of resources available for technical co-operation activities.

Annex

FINANCIAL SUMMARY AS OF FEBRUARY 1990

	At start of country programme	At time of MTR
I. RESOURCES TAKEN INTO ACCOUNT		
IPF allocations (including third-cycle carry-over)	4 500 000	3 786 000
Government cost-sharing	5 500 000	4 482 000
Third-party cost-sharing	5 000 000	1 866 000
Subtotal of IPF-linked resources	15 000 000	10 134 000
Other funds under authority of Administrator		3 172 000
Total resources taken into account	15 000 000	13 306 000
II. USE OF RESOURCES a/		
Approved projects	320 000	1 890 000
Pipeline projects	11 680 000	2 999 000
Unprogrammed resources	3 000 000	5 245 000
Total	15 000 000	10 134 000

a/ IPF plus cost-sharing.